



General Assembly

February Session, 2010

Raised Bill No. 283

LCO No. 1607

* ____SB00283HS____032310____*

Referred to Committee on Human Services

Introduced by:
(HS)

AN ACT CONCERNING AUDITS BY THE DEPARTMENT OF SOCIAL SERVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 17b-99 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2010*):

4 (d) The Commissioner of Social Services, or any entity with whom
5 the commissioner contracts, for the purpose of conducting an audit of
6 a service provider that participates as provider of services in a
7 program operated or administered by the department pursuant to this
8 chapter or chapter 319t, 319v, 319y or 319ff, shall conduct any such
9 audit in accordance with the provisions of this subsection. For
10 purposes of this subsection "provider" means a person, public agency,
11 private agency or proprietary agency that is licensed, certified or
12 otherwise approved by the commissioner to supply services
13 authorized by the programs set forth in said chapters.

14 (1) Not less than thirty days prior to the commencement of any such
15 audit, the commissioner, or any entity with whom the commissioner

16 contracts to conduct an audit of a participating provider, shall provide
 17 written notification of the audit to such provider, unless the
 18 commissioner, or any entity with whom the commissioner contracts to
 19 conduct an audit of a participating provider makes a good faith
 20 determination that (A) the health or safety of a recipient of services is
 21 at risk; or (B) the provider is engaging in vendor fraud. A copy of the
 22 regulations established pursuant to subdivision (12) of this subsection
 23 shall be appended to such notification.

24 (2) Any audit conducted pursuant to this subsection shall be limited
 25 to a review of claims filed during the two-year period prior to the date
 26 the provider receives written notice from the commissioner of the
 27 audit, pursuant to subdivision (1) of this subsection, or two hundred
 28 claims, whichever is less.

29 ~~[(2)]~~ (3) Any clerical error, including, but not limited to,
 30 recordkeeping, typographical, scrivener's or computer error,
 31 discovered in a record or document produced for any such audit, shall
 32 not of itself constitute a wilful violation of program rules and shall not
 33 be used as the basis for extrapolated projections unless proof of intent
 34 to commit fraud or otherwise violate program rules is established.

35 ~~[(3)]~~ (4) A finding of overpayment or underpayment to a provider in
 36 a program operated or administered by the department pursuant to
 37 this chapter or chapter 319t, 319v, 319y or 319ff, shall not be based on
 38 extrapolated projections unless (A) [there is a sustained or high level of
 39 payment error involving the provider,] the payment error rate
 40 involving the provider exceeds ten per cent, or (B) documented
 41 educational intervention has failed to correct the level of payment
 42 error. [, or (C) the value of the claims in aggregate exceeds one
 43 hundred fifty thousand dollars on an annual basis.]

44 ~~[(4)]~~ (5) A provider, in complying with the requirements of any such
 45 audit, shall be allowed not less than thirty days to provide
 46 documentation in connection with any discrepancy discovered and
 47 brought to the attention of such provider in the course of any such

48 audit.

49 [(5)] (6) The commissioner, or any entity with whom the
 50 commissioner contracts, for the purpose of conducting an audit of a
 51 provider of any of the programs operated or administered by the
 52 department pursuant to this chapter or chapter 319t, 319v, 319y or
 53 319ff, shall produce a preliminary written report concerning any audit
 54 conducted pursuant to this subsection, and such preliminary report
 55 shall be provided to the provider that was the subject of the audit, not
 56 [more] later than sixty days after the conclusion of such audit.

57 [(6)] (7) The commissioner, or any entity with whom the
 58 commissioner contracts, for the purpose of conducting an audit of a
 59 provider of any of the programs operated or administered by the
 60 department pursuant to this chapter or chapter 319t, 319v, 319y or
 61 319ff, shall, following the issuance of the preliminary report pursuant
 62 to subdivision [(5)] (6) of this subsection, hold an exit conference with
 63 any provider that was the subject of any audit pursuant to this
 64 subsection for the purpose of discussing the preliminary report.

65 [(7)] (8) The commissioner, or any entity with which the
 66 commissioner contracts, for the purpose of conducting an audit of a
 67 service provider, shall produce a final written report concerning any
 68 audit conducted pursuant to this subsection. Such final written report
 69 shall be provided to the provider that was the subject of the audit not
 70 [more] later than sixty days after the date of the exit conference
 71 conducted pursuant to subdivision [(6)] (7) of this subsection, unless
 72 the commissioner, or any entity with which the commissioner
 73 contracts, for the purpose of conducting an audit of a service provider,
 74 agrees to a later date or there are other referrals or investigations
 75 pending concerning the provider.

76 [(8)] (9) Any provider aggrieved by a decision contained in a final
 77 written report issued pursuant to subdivision [(7)] (8) of this
 78 subsection, may, not later than thirty days after the receipt of the final
 79 report, request, in writing, a review on all items of grievance. Such

80 request shall contain a detailed written description of each specific
 81 item of aggrievement. The designee of the commissioner who presides
 82 over the review shall be impartial and shall not be an employee of the
 83 Department of Social Services Office of Quality Assurance or an
 84 employee of an entity with whom the commissioner contracts for the
 85 purpose of conducting an audit of a service provider. Following
 86 review on all items of aggrievement, the designee of the commissioner
 87 who presides over the review shall issue a final decision.

88 (10) The provider shall have the right to appeal a final decision to
 89 the Superior Court in accordance with the provisions of chapter 54.

90 [(9)] (11) The provisions of this subsection shall not apply to any
 91 audit conducted by the Medicaid Fraud Control Unit established
 92 within the Office of the Chief State's Attorney.

93 (12) The commissioner shall adopt regulations, in accordance with
 94 the provisions of chapter 54, to carry out the provisions of this
 95 subsection and to ensure the fairness of the audit process, including,
 96 but not limited to, the sampling methodologies associated with the
 97 process.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	17b-99(d)

HS ***Joint Favorable***